



DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

COMMERCE AND WORKFORCE SERVICES APPROPRIATIONS SUBCOMMITTEE

BUDGET BRIEF

SUMMARY

Utah is one of eighteen liquor control states and one of two totally state run systems. The Department of Alcoholic Beverage Control (DABC) operates 41 State stores and approximately 100 package agencies. These state stores and package agencies are the exclusive retailers of liquor, wine and heavy beer (more than 4 percent alcohol by volume) in the Utah. The Department administers liquor laws and licenses on-premise businesses, temporary single event permits, manufacturers, wholesalers, warehouses, importers, and liquor representatives.

ISSUES AND RECOMMENDATIONS

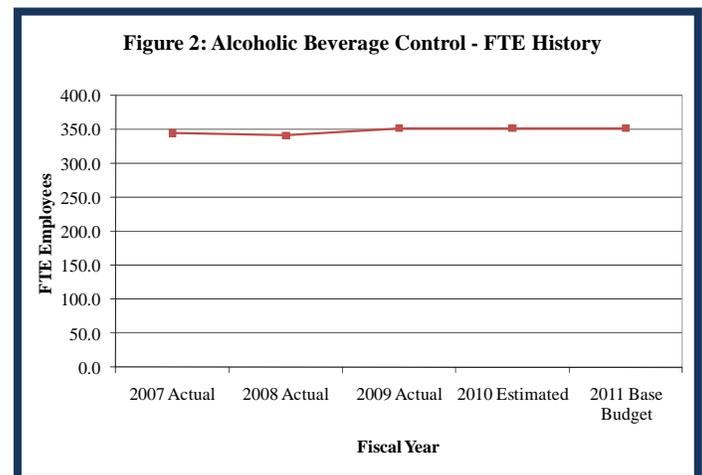
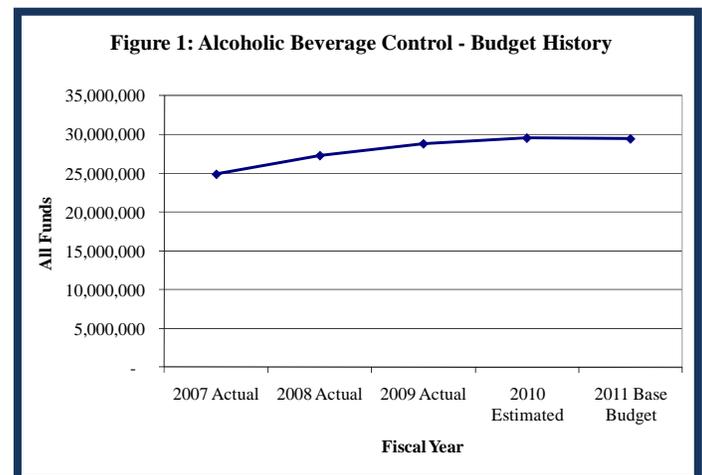
The Executive Appropriations Committee (EAC) has made base budget allocations to the various appropriations subcommittees. The budget detail table on page 3 reflects the allocation for DABC, but does not include funding for the recommendations presented in this brief or other budget priorities the subcommittee may wish to consider.

The co-chairs of the EAC recommend that the subcommittee complete the following tasks: review agency base budgets; reallocate revenue where possible within the base budget to meet new subcommittee budget priorities; and, develop a priority list, to be submitted to the EAC, of new budget priorities not completed through budgetary reallocations.

Issue Brief

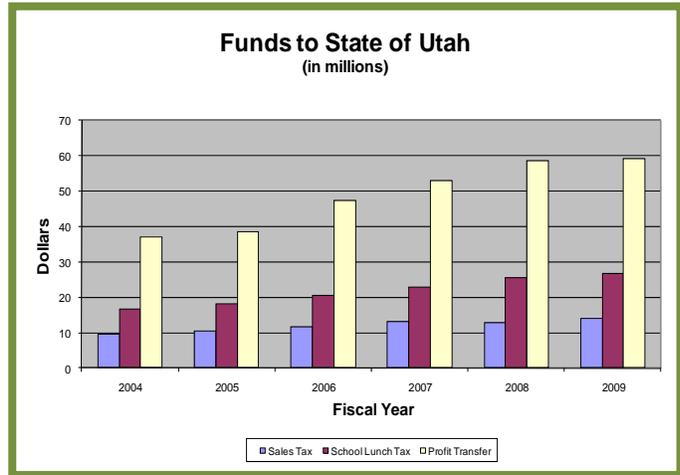
One Issue Brief provides the subcommittee with additional information on FY 2011 Department of Alcoholic Beverage Control budget issues. Please refer to this Issue Brief for additional information on the following topics:

- DABC Bond Payments and O & M

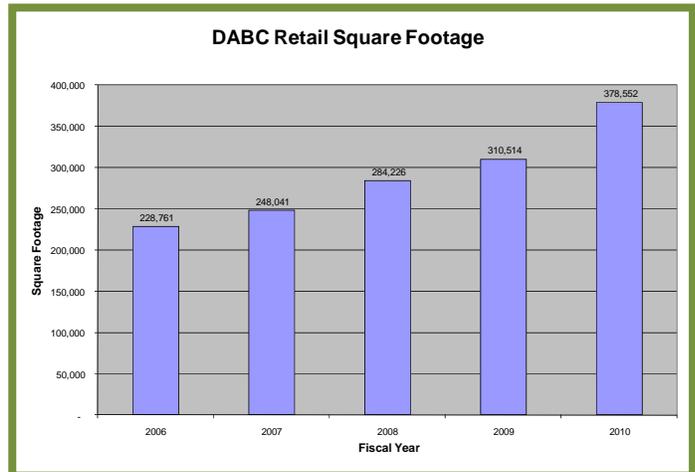


PERFORMANCE MEASURES

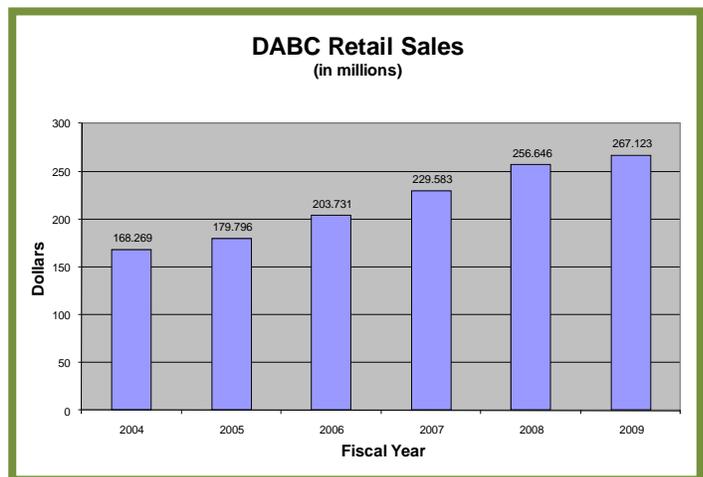
Funds Transferred to the State- In addition to the transfer of liquor profits into the state's general fund, sales tax collected on liquor sales and monies earmarked for the school lunch program provide additional resources to the state and to local governments.



DABC Total Retail Square Footage- Shows the total available retail space that the Department maintains throughout the state.



DABC Retail Sales- Shows the total sales of the Department of Alcoholic Beverage Control from 2004 to 2009.



FY 2011 BUDGET REQUESTS AND REDUCTIONS***Bond Payments-\$1,529,000***

The Department must pay for previously approved bonding projects as mentioned above. Cost is \$1,529,000 from the Liquor Control Fund. Since the state has entered into agreements these should be considered mandated costs.

Package Agency Increase and New Package Agency for Utah County -\$161,000

Package agencies are operated by private individuals or corporate entities under contract with the state for the purpose of selling packaged liquor, wine and beer to the general public for off premise consumption. Package agencies are located in communities too small to warrant the establishment of a state store and in resorts and hotels where the outlets exist primarily for the benefit of the guests.

Reductions

1.5% Discretionary Employee Funding-\$153,200-Is based on productivity and performance requirements.

Part-time Cashiers/Stock Clerk Staffing-\$500,000-The Department could reduce part-time cashier and stock clerks in certain stores.

BUDGET DETAIL TABLE

The Department of Alcoholic Beverage Control receives the majority of its revenue from the Liquor Control Fund. The following table details the remaining revenue supporting DABC, as well as, program expenditures and division budgets. The total budget for the DABC totals \$29.4 million.

Alcoholic Beverage Control						
	FY 2009	FY 2010		FY 2010		FY 2011*
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Base Budget
Liquor Control Fund	28,704,500	29,454,100	0	29,454,100	0	29,454,100
Closing Nonlapsing - Highway Safe	100,000	100,000	0	100,000	(100,000)	0
Lapsing Balance	17,200	0	0	0	0	0
Total	\$28,821,700	\$29,554,100	\$0	\$29,554,100	(\$100,000)	\$29,454,100
Programs						
Administration	1,116,500	1,232,800	(148,200)	1,084,600	0	1,084,600
Eliminate Alcohol Sales to Youth	1,418,900	1,340,700	233,000	1,573,700	(100,000)	1,473,700
Executive Director	1,916,600	1,361,200	550,500	1,911,700	0	1,911,700
Operations	1,719,000	2,210,100	(185,700)	2,024,400	(180,400)	1,844,000
Stores and Agencies	20,939,200	21,854,700	694,100	22,548,800	(942,500)	21,606,300
Warehouse and Distribution	1,711,500	1,554,600	(1,143,700)	410,900	1,122,900	1,533,800
Total	\$28,821,700	\$29,554,100	\$0	\$29,554,100	(\$100,000)	\$29,454,100
Categories of Expenditure						
Personnel Services	15,872,200	16,507,400	(1,011,000)	15,496,400	0	15,496,400
In-state Travel	46,200	68,700	(22,500)	46,200	0	46,200
Out-of-state Travel	319,000	12,500	306,500	319,000	0	319,000
Current Expense	10,779,100	11,015,700	769,700	11,785,400	(100,000)	11,685,400
DP Current Expense	1,633,900	1,870,800	(36,900)	1,833,900	0	1,833,900
DP Capital Outlay	0	50,200	(50,200)	0	0	0
Total	\$28,821,700	\$29,554,100	\$0	\$29,554,100	(\$100,000)	\$29,454,100
Other Data						
Budgeted FTE	352.0	352.0	0.0	352.0	0.0	352.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

LEGISLATIVE ACTION

This section summarizes what actions might be taken if the Legislature wishes to adopt the recommendations presented in this brief. The Analyst recommends that the Legislature consider:

1. Adopt the base budget amount of \$29,454,100 for the Department of Alcoholic Beverage Control detailed above.
2. Consider the budget issues raised in the Issue Brief and mentioned in this brief. The subcommittee may wish to include these items in its prioritized recommendations to the executive committee.

